

EXHIBIT R-C

WAL★MART®
LEGAL DEPARTMENT

LITIGATION DIVISION

CORPORATE OFFICES
702 S.W. 8TH Street
Bentonville, Arkansas 72716-0215
Mail Stop 0215
(479) 204-6574
Fax (479) 277-5991
Michael.Li@walmartlegal.com

Michael C. Li
Assistant General Counsel, Intellectual Property Litigation

May 29, 2007

Via email

Mr Johnathan Ha
Zinus, Inc.
5TH FLOOR HANWON BLDG 6-1 SUNAE-1
Seongnam, Kyeong Gi Do
Korea
jwha@zinus.com

Re: *Alleged Patent Infringement* – Dreamwell, Ltd.

Dear Mr Ha:

Wal-Mart has received the attached claim letter from Dreamwell, Ltd., alleging that sales of the Sleep Revolution mattress-in-a-box on walmart.com may infringe Dreamwell, Ltd.'s intellectual property rights. Our investigation reveals that the products in question come from Zinus, Inc. ("Zinus").

Pursuant to the terms of Zinus' Supplier Agreement with Wal-Mart, Zinus is obligated to defend, indemnify, and hold Wal-Mart and walmart.com harmless from all claims, liabilities, losses, and expenses including reasonable attorney's fees and costs arising from sales of Zinus' products. This letter will serve as notice of the claim and request that Zinus honor these obligations under the Supplier Agreement. Wal-Mart also requests that you provide notice to the applicable insurance carrier and copy Wal-Mart on such notice. Please confirm to me by signing the attached Indemnity Acknowledgement Form by June 5, 2007 that Zinus will honor these obligations. In addition, please confirm that you have contacted the claimant by that date.

If this matter is not fully resolved by June 12, 2007, Wal-Mart will need Zinus to provide it with a clearance opinion from qualified outside counsel, or other acceptable proof of non-infringement, in order to continue selling the product. If we do not receive an acceptable opinion or other proof that we deem sufficient to establish non-infringement, we will be forced to remove the products in question from the website.

As required under the Supplier Agreement, Wal-Mart also expects that Zinus will hire acceptable counsel to represent Wal-Mart's interests if necessary.

Wal-Mart values its supplier relationships very highly, and Zinus is one of our valued supplier-partners. Wal-Mart trusts that Zinus will promptly fulfill its obligations in this matter. Please feel free to call or email me directly if you would like to discuss this matter further.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael C. Li". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael C. Li

Enclosure

cc (via email): Linsey Morrison
Diane Van

Indemnity Acknowledgement Form

Zinus, Inc. ("Supplier") confirms receipt of the attached demand from Wal-Mart Stores, Inc. ("Wal-Mart") for indemnification pursuant to the terms of the Supplier Agreement between Supplier and Wal-Mart (the "Supplier Agreement"). By the signature below of Supplier's authorized representative, Supplier acknowledges that the matter addressed in the letter falls within the scope of its indemnification obligations under paragraph 19 of the Supplier Agreement and confirms that Supplier will defend and indemnify Wal-Mart and its subsidiaries and affiliates and hold them harmless for any and all liability or costs incurred in connection with such matter.

By: _____

Printed Name: _____

Title: _____

A signed copy of this form (including the accompanying correspondence) should be returned by email to Alanna Hunt at alanna.hunt@walmartlegal.com. As part of Wal-Mart's sustainability commitment, unless requested, it is not necessary to send a duplicate hard copy by mail.

EXHIBIT R-D

From: Scott [mailto:scott.reeves@zinusinc.com]
Sent: Tuesday, June 12, 2007 4:47 PM
To: BCARROLL@simmons.com; Bob Carroll; Sheri Harms
Cc: 'Scott'
Subject: CHINA TRIP FOLLOW UP

Dear Bob And Sheri:

Unfortunately I did not have the opportunity to meet you last March 30th when you visited and toured our factories but after your visit to our factory, Zinus sent Simmons samples as you requested, but rather than receiving an order or further follow up details to buy product, Zinus and an important customer of ours received cease and desist letters. The letters make false and damaging statements. We felt it was only fair to advise you that we were forced to take this matter to Court for resolution. Please be advised of the following legal action that was filed on June 11, 2007 in the Northern District of California:

5:07-C07-03012-PVT
Zinus, Inc. v. Simmons Bedding Company et al.

Zinus is represented in this matter by:

Darien K. Wallace
Imperium Patent Works
P.O. Box 587
Sunol, CA 94586
(925) 550-5067

T. Lester Wallace
Imperium Patent Works
P.O. Box 587
Sunol, CA 94586
(925) 862-9972

Simmons and Dreamwell should be served with the Complaint within about a week. We are sending you this email as a courtesy to let you and Simmons know what has occurred. Please feel free to forward this information to the appropriate person or persons within Simmons. Please understand we had hoped to build a sincere and long term relationship with you and Simmons.

Sincerely,

Scott Reeves

Scott Reeves
President



EXHIBIT R-E

From: Clara DeQuick [mailto:cdequick@simmons.com]
Sent: Thursday, June 14, 2007 3:34 PM
To: scott.reeves@zinusinc.com
Subject: Contact Information

Mr. Reeves:

We are in receipt of an email you sent to Bob Carroll. Our CEO, Charlie Eitel, would like an opportunity to talk to you. May we please have your telephone contact information?

Thank you.

Clara G. DeQuick
Simmons Bedding Company
One Concourse Parkway, Suite 800
Direct Dial: 770-206-2694
Facsimile: 770-206-2669
Cell: 404-660-3202
cdequick@simmons.com

EXHIBIT R-F



7068 Koll Center Parkway
Suite 425
Pleasanton, CA 94566

925.417.2100 T
925.417.6958 F

June 28, 2007

Ms. Debra Hughes

Wal-Mart Stores, Inc.
702 S.W. 8th Street,
Bentonville, Arkansas 72716-0215

Dear Debbie,

I hope that our telephone conference this morning and the video tape of our manufacturing process have helped to refute any claims of infringement contained in Simmons' letter to Wal-Mart dated May 18, 2007. We were led to believe that if we brought a declaratory judgment action against Simmons, Wal-Mart would be satisfied of the strength of our argument that our mattress-in-a-box product does not infringe Simmons' Re. 36,142 patent. Will Wal-Mart be requiring additional comfort that our mattress-in-a-box product does not infringe the '142 patent? Will Zinus be asked to pay for any of the legal fees that Kenyon & Kenyon is accruing in preparing to defend a potential suit by Simmons? Enclosed was the e-mail I sent you June 8th.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Reeves', with a long horizontal flourish extending to the right.

Scott Reeves
President

EXHIBIT R-G



Legal

Michael C. Li, Assistant General Counsel—IP Litigation
Phone: 479.204.6574 Email: michael.li@walmartlegal.com

702 SW 8th Street
Bentonville, AR 72716
Phone 479.273.4505
www.walmart.com

July 6, 2007

Via Email

Scott Reeves
Zinus, Inc.
7068 Koll Center Parkway, Suite 425
Pleasanton, CA 94566
scott.reeves@zinusinc.com

Dear Mr. Reeves:

Thank you for your letter to Debra Hughes dated June 28, 2007. . The materials you provided were very helpful. As you are aware, however, Wal-Mart has an independent, internal procedure for evaluating products that are alleged to infringe patents of third parties. We are evaluating Simmons' patent claims as they relate to Wal-Mart. Our review is not yet complete, and we will expect that it will not be until such time as the defendants answer the declaratory judgment action filed by Zinus.

At that time, if we require either litigation counsel or counsel from one of our review firms, we would expect that the vendor agreement between Zinus and Wal-Mart will govern the payment of fees accrued by our selected law firms. Please contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael C. Li". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael C. Li